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**VISA INTERNATIONAL
MANAGEMENT EXECUTIVE COMMITTEE
15 September 1996**

Attendance: All members, except Jim Partridge, were present. Mark Tremont and Fraser Bullock also were present during part of the meeting. Linda Floyd acted as Secretary.

Place & Time: London, England
15 September 1996

Advance Materials: Mailed and delivered on 11 September 1996

408. **CEO Comments**

It was reported that the Annual Meeting of EU and CEMEA Members in Vienna was a success.

409. **Approval of Minutes**

After discussion, and upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the minutes of the Management Executive Committee meeting of 4 September 1996 are hereby approved.

410. **Performance Reports**

This topic was deferred until the latest performance report is published.

411. **FY 1996/97 Financial Plan and Current Year Forecast**

A preview of the Executive Committee presentation on the budget was given. A summary of initiatives also was presented. This will be discussed at the next MEC meeting. An in-depth review of all strategic initiatives will be presented at the December MEC meeting.

412. **Visa Development Group**

The proposed Executive Committee presentation on Visa Development Group was reviewed. Investment in Group Members also was discussed. The main purpose of investments should be to build access to markets and expand access to systems, with some emphasis on protecting Member interests. Investments also should be consistent with the Visa mission. The Committee discussed who would be acceptable investment partners.

413. **Risk Management Committee Meeting**

The Committee adjourned to conduct the Risk Management Committee Meeting and then reconvened.

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414. **Competitive Strategy**

It was reported that, although a free riding problem exists if Visa Members issue a competitor's products, a risk-free methodology to compute fair compensation was unattainable. Discussions on extension of link agreements continued. A business strategy will be developed, with continued review of existing links. Citibank Puerto Rico's request to extend the American Express and Diners Club links in the Latin America and Caribbean Region will be deferred until the strategy is completed. The Committee also discussed and agreed that American Express should be included in the National Merchant Alert Service (NMAS). In addition, American Express has asked to join Visa and MasterCard as an owner of the SET standard. This will be reviewed.

415. **Secure Electronic Commerce Operating Principles**

The Committee reviewed proposed Operating Principles for secure electronic commerce. Visa advisors have requested that certificates be mandated. A date should be included on the certificates. After further discussion, and upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that, subject to review by Regional Presidents with their staffs, the Operating Principles set forth in Attachment A, attached to the minutes of this meeting as Exhibit A, are hereby endorsed for presentation to the Regional Boards and International Board for approval.

416. **INET Implications**

A paper and press release have been prepared. Discussion was deferred until members of the Committee have had a chance to review the materials.

417. **Other Business**

- a) Barclays has requested that it be allowed to serve on the Europay Board, as well as the Visa Board. It would not serve on the MasterCard Board.
- b) A brand is being developed for the COPAC product, the preauthorized chip card.
- c) The next Management Executive Committee meeting is scheduled for 26 October in Osaka.

There being no further business, the meeting was adjourned.


Linda Floyd

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